

1938.

Department of *Excise*

OFFICE *of the Board of Revenue*

STATION *Chitank*

<i>R</i> No. <i>2681</i> <i>Abkan</i>
Dated <i>21-11-38</i>

Seen by M

REPATCHED
22 NOV 1938

*also
in long*

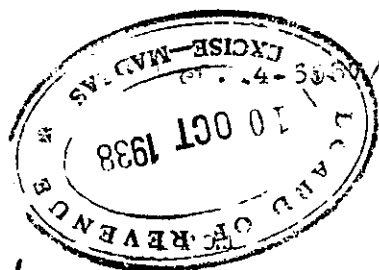
R 15. (E)

Pages in the file *15*

(SUBJECT.)

*Licencees - Pharmaceutical Labz. - Father
Miller's Charitable institutions, Karbanady - Credit
of duty - Principle of*

tion of res - Applica



South Madras Collector's Office,
Madras, 5th October 1938.

Sri P. O. Lakshmi N. Velloodi, Esq.,
Collector of South Madras.

To

The Assistant Secretary to the
Board of Revenue (Excise),

Madras.

Sir,

Receipts - Excise - Duty on rectified
spirits - Issued to the Laboratory - Collection - Principle of
elimination of fines - Application - Orders requested.

Reference : Board's proceedings, R.No.1510 Abk., dated
22.7.1938.

According to Article 59 (iv) of the F.M.C., Vol.I No
C. No. 541 Abk., dated 12.1.1927 all receipts under Excise
Revenue accruing to Government should be rounded to the nearest
anna. I however find that this principle is not being applied
to cases of collections of duty on spirits issued to the Laboratory,
at Father Muller's Charitable Institutions, Kankarady, even after
the issue of the Board's proceedings quoted above, though this
is not one of the items exempted in paragraph 5(4) of C.O. 111,
dated 12.1.1927. In paragraph 6 of the letter, D.No. 1009-28,
dated 2.9.1938, (extract enclosed) the Assistant Commissioner
for Madras explains that the present practice is in
accordance with the orders issued in D.No. 1100/Abk., dated
1.11.1937 and R.No. 1007/Abk., dated 22.7.1938, and that it cannot
be changed without detriment to the revenue. As the
order is no stand, I think, that the principle of elimination of

4206

original 1-2
1-2
1-2

page 3084 No 18
p 4(E)

Handwritten
1938/10/10

ht 2-3
2

1-3084
CF

137-6 (I)

p 6(N)

2

plies has to be applied to this item also unless the Government have already exempted it from the operation of this rule. If

the item has not been exempted so far, then the order is issued

in L.F.A. No. 1488 1937, dated 2.7.1937 and L.F.A. No. 1000 1937, p 6 (iv)

dated 20.6.1938 seem to be at variance with the instructions

contained in Article 54 (iv) of the General Financial & Accounts p 25 Bl. 11

Code and also in the L.F.A. quoted above. I solicit Board's

order in the matter.

1-2 (B)

S. Namana

For Collector.

7/10

7.10.38

Letter from the Assistant Commissioner for Dist. No. 1, 1908.
to the Collector, South Kanara Dist. 1st, Bangalore.
Dated - 24th September 1908.
No. D.P.S. No. 1009/08.

Amounts - It is further's no. 10 specific labor toly -
in quantity - 1/2 of duty.

XX XX XX

H/90-91
(T)

I direct your attention to paragraph 8 of Board's
proceedings, No. 1004 No. 1, dated 22.6.1907 in which the
assessment is the proof Drachm and not the proof given in
that duty should be levied at 1/2 pice (which amounts to 1/2 of
proof Drachm) on each proof Drachm. Now if only one proof
Drachm is levied in each preparation is removed the duty works
out to only 1/2 pice, and if the principle of rounding is to be
observed, the duty of 1/2 pice or less than 1/2 pice will have to
be ignored in which case the spirituous preparations pass out
of bond duty free and no revenue will be derived. On the
other hand if for every preparation the duty, which is less than
1/2 pice, is levied at 1/2 pice, the licensees will have to pay twice
as much or nearly 1/2 pice - per proof Drachm and this will be a
concession to him but a loss in carrying out the principle of
this was pointed out to the Board and paragraph 10 of Board's
proceedings No. 1004 No. 1, dated 22.6.1907 (communicated to you
was amended by Board's proceedings No. 1400 No. 1/07, dated
10.7.1907 whereby duty should be levied to the nearest pice - on
to the next higher pice in case of fraction. A copy of the
last Board's proceedings was communicated to you with my letter
No. 1004 No. 1 dated 10.7.1907. It was again pointed out to the
Board that by reason of the number of preparations issued in
alacumb, the Board intended to advise that a fraction of proof
should be rounded to the next higher pice operated to the dis-
advantage of the licensees in that in the last official list,
the duty was levied at 1/2 pice or more which would have, in the
absence of the principle of rounding, been a loss to the licensees.

H/91-92 (F)

H/74 (I)

4

price of Rs. 10/- per pice gallon. The Board therefore,
in its proceedings No. 277 Nov., dated 20.5.1908 ordered that
a more equitable basis of assessment fractions of pice less
than half should be ignored while those of half and above should
be rounded to the next higher pice. A copy of the last Board's
proceedings was communicated to the Treasury Officer, Bangalore
by the officer in charge of the Laboratory.

b6 (r)

(True copy)

J. K. Manana Des
7710
for collector.

10/11
7.10.38.

DRAFT FOR APPROVAL.

C.F. 16.

5

	Date.	Initials.
When received for fair copying ..		
When copied ..	25/10	[Signature]
When examined..	26/10	[Signature]
When signed ..		
When despatched.		

SUBJECT:—

Accounts - Receipts - Duty -
rectified amounts issued -
the Harnkanady hereby -
- principle of elimination
of mis. Further portion
- called for

READ AGAIN _____, dated _____, 19__.

" " _____, 19__.

READ ALSO:—

No. _____ From the Letter S. Kanara, No. 66571, dated 6-10-1938.

" " _____, 19__.

" " _____, 19__.

Order Ms. No. _____, dated Order 14206 April 38 C 19__.

Resolution Rout.

Refce

The Letter of S. Kanara is
requested to furnish urgently.
The dates ^{of} and total amounts
covered by each
of each of the Chalant received
with the M.P. 7 applications for
a period of three months
during the current year, say
for the A.E. 30.9.38

To

The Letter of S. Kanara

26/10

[Signature]

26/10

26/10

[Signature]

6
-
Very Urgent.

Ref. A4-6057-38.

South Kanara Collector's Office,
Mangalore, dated 29-10-1938.



15325-
From

Sri Rao Bahadur M.V. Vellodi, B.A.,
Collector of South Kanara.

To

The Assistant Secretary
to the Board of Revenue (Excise),
M a d r a s.

Sir,

Accounts - Receipts - Duty on rectified spirits issued
to the Kankandy Laboratory - Principle of elimination of pies -
Further particulars - furnished.

f. Sastry Ref: Board's C.R. No. 14206 Abk.38-C dated 24-10-38.

The information called for is furnished in the
enclosed statement. The amount of duty on each indent for
issue of medicinal preparation is being debited to the advance
account opened by the licensee.

J. Narayana
29.10

For Collector.

29.10.38

No. and date of the application
in form M.F.7.

7
Amount of duty.

Remarks.

July 1938.

66/2-7-38	16. 2. 1	16-2
67/4-7-38	8. 1. 2	8-1
68/5-7-38	9.10.10	9-11
69/6-7-38	16. 1. 7	16-2
70/7-7-38	11. 4. 7	11-5
71/8-7-38	6. 7. 5	6-7
72/9-7-38	8. 1. 4	8-1
73/11.7.38	12.14. 3	12-14
74/12-7-38	9.10.11	9-11
75/13-7-38	8. 1. 1	8-1
76/14-7-38	11. 4. 9	11-5
77/15-7-38	17.12. 1	17-12
78/16-7-38	8. 1. 2	8-1
79/18-7-38	16. 2. 4	16-2
80/19-7-38	14. 8. 3	14-8
81/20-7-38	12.14. 11	12-15
82/21-7-38	16. 1. 10	16-2
83/22-7-38	16. 1. 9	16-2
84/25-7-38	12.14. 8	12-15
85/26-7-38	12.14. 9	12-15
86/27-7-38	16. 2. 0	16-2
87/28-7-38	9.10.11	9-11
88/29-7-38	9.10.11	9-11
89/30.7.38	9.10. 9	9-11

Total: 290. 6. 4 290-7

August 1938.

90/ 1.8.38	16. 2. 4	16-2
91/ 2.8.38	20.15. 0	20-15
92/ 3.8.38	16. 2. 0	16-2
93/ 4.8.38	16. 2. 3	16-2
94/ 5.8.38	17.11. 5	17-11
95/ 6.8.38	9.10.11	9-11
96/ 8.8.38	8. 0.11	8-1

These amounts were debited to the advance account opened by the licensee.

No. and date of the application in form M.P.7.	Amount of duty.	Remarks.
97/ 9.8.38	14. 7.10	14-8-
98/10.8.38	16. 1.11	16-2✓
99/12.8.38	17.11. 9	17-1✓
100/13.8.38	9.10. 9	9-11-
101/16.8.38	9.10. 8	9-11
102/17.8.38	12.14. 2	12-14✓
103/18.8.38	9.10. 9	9-11✓
104/19.8.38	16. 1. 8	16-2-
105/22.8.38	11. 4. 9	11-5-
106/23.8.38	9.10.11	9-11-
107/24.8.38	12.14. 2	12-14
108/25.8.38	16. 1. 9	16-2-
109/27.8.38	38. 0. 7	38-1✓
110/29.8.38	8. 1. 3	8-1-
111/30.8.38	16. 1.10	16-2
112/31.8.38	9.10.11	9-11
Total:	333. 0. 6	333-2
<u>September 1938.</u>		
113/1.9.38	8. 0. 5	8-0✓
114/2.9.38	9.10. 0	9-10
115/3.9.38	8. 0. 8	8-1✓
116/5.9.38	9.10. 4	9-10
117/6.9.38	12.13. 6	12-14✓
118/7.9.38	11. 3. 9	11-4✓
119/9.9.38	8. 0. 6	8-1
120/10.9.38	17. 8. 3	17-8✓
121/12.9.38	9.10.9	9-11✓
122/13.9.38	9. 9.10	9-10
123/14.9.38	8. 0. 5	8-0✓
124/15.9.38	9.10. 1	9-10✓
125/16.9.38	20.13.11	20-14
126/19.9.38	11. 3. 7	11-4
127/20.9.38	14. 7. 2	14-7✓
128/21.9.38	9.10. 3	9-10✓

These amounts were debited to the advance account opened by the licensee.

No. and date of the application
in form M.P. 7

Amount of duty.

Remarks.

129/22.9.38

16- 1. 2

16-1 /

130/24.9.38

14. 7. 3

14-7 /

131/26.9.38

9. 9. 8

9-10

132/27.9.38

14. 7. 1

14-7 /

133/28.9.38

12-13. 9

12-14

134/29.9.38

8. 0. 4

8-0

135/30.9.38

8. 0. 7

8-1

261. 9. 3

261-20

These amounts were debited to the advance account opened by the licensee.

South Kanara Collector's Office,
Mangalore, 29th October 1938.

S. N. Manab
29/10
For Collector.

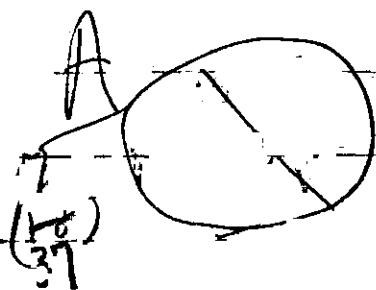
Per
24-10-38

Thru 'B' Section.

Accounts - Receipts - Duty on rectified spirit
issued to the Laboratory - Principle of
elimination of pice - orders indicated

The Colls of S. Kamara reports that the principle of rounding all Receipts according to the duty, to the nearest anna contained in Article 59 IV of the MF+AC Vol I is not followed in the case of collection of duty on spirit issued to the laboratory at Father Muller's Charitable Institutions Kankorady. On B P No 1077 Alk dated 26-5-38 it was ordered that in the calculation of duty on spirit used in the manufacture of spirituous preparations in the above laboratory, fractions of a pice less than half be ignored and that fractions of a pice more than half be rounded off to the next higher pice. On passing this order it was held that the orders in Articles 59-60 of the MF+AC Vol I regarding the elimination of pice from duty accounts will not apply in this case, as it comes under exception (a) to the same Articles. Instructions were issued in para 9 of the B P No 654 Alk dated 22-8-38 that duty should be levied on the proof draughts

A
(18)
(39)



X 11

contained in the preparations at the rate of $1\frac{1}{2}$ pias
per proof drachm (i.e. at the rate of Rs 12 pias per gallon)

The principle of rounding to the nearest amount
cannot be mechanically applicable in this case
as duty is here calculated on proof drachmas
obtained from the laboratory for use in the
preparations. The D.C.D. has already reported
that it will not be practicable to apply these
principles in this case - vide his report on
pages 1-2 (I). For orders under the orders of
S. Hanuma may be informed that
the orders in Article 59 IV of the M.F. & A.C.
will not apply to this case and that this
will come under exception (a) to the same
article.

According to the wording of incentive (a) | p. 30 of the no 48
to article 59 IV of M.F. & A.C., Vol I, all receipts | 37
of revenue fixed by law or fixed and notified
under the law have to be excluded from
the application of the principle of elimination of
pias. Almost all items of excise revenue are fixed and
notified under the Alkari Act (Madras I) of 1886 and
~~should come under exception (a)~~ But in practice the
principle of elimination of pias applies to all items
of excise revenue. It appears that only items of revenue
fixed by law (e.g. ^{interest on} arrears of L.R. fixed at 6% per annum in
section 7 of the Revenue Recovery Act (Madras II) of 1864) should be
treated as coming within the scope of exception (a).

The duty on homoeopathic dilutions
calculated

p. 1 30 of the no 34

p. 6 (E)

(see also A. J. 101
at p. 3 (E))

6 (N) calculated to the nearest pie at the rate of 1'2 pias per roof draehm, may often contain pias. Such The amounts of duty in respect of each dilution will be exhibited in rupees annas and pias in the M.P.5 registers and the M.P.7 applications. If the principle of elimination of lies ^{is applied} to the receipts of his duty, the sums credited in the treasury under the crakans accompanying the M.P.7 application should be rounded to the nearest anna.

4 I. The question for examination is whether these sums are ~~considerable~~ appreciably large or not. If the ~~sums~~ are small and ~~there are many~~ removals they are frequently credited, the ~~application~~ of the principle ^{to the amounts} would materially affect the rate & duty. The Secy of S. Kanara may be requested to furnish the dates and total amounts covers of each of the crakans received with the M.P.7 applications for ^{some} 12 months, say 10.10.30-9-38.

5 (I) Yes

Yes
24/11

24/11/38
Rle
22/11/38

also see. VZ
A. wrong reference. Please
check & put up 24/11/38

A draft is being submitted.

A above :- The ref. made at p 1 N.F. to the old edition. In the new edition the page number is 30. The mistake is regretted. 24/11/38

AS

There is section

Note with

From order

7. 2. 1.

Sir,

Draft submitted for approval

11-11-18.

1.7.11.28

~~21(11) 22~~

15

DRAFT FOR APPROVAL.

G.P. 19,

	Date.	Initials.	SUBJECT:—
When received for fair copying ..			Licence - Pharmaceutical
When copied ..	26/2/37	14	Laly. - Father Muller's Charitable
When examined ..	22/11	18	institutions, Kanbanady - Credit of
When signed ..			duty - Principle of elimination of pies - Application
When despatched.			Instructions.

READ AGAIN .., dated ..

READ ALSO:—

No. .., No. 1077 Hk/38 dated 26-5-1938

From the Collr. of S. Kanara, Ref A-4-6057-38 .. 6-10-1938

↓ 29-10-1938

Order Ms. Resolution Rout No. .., dated C.R. No 14206 Hk/38 - X C.B. 19

RECEIVED
22 NOV 1938
J. A. S.

f 30 of LK no. 37

To the Collr. of S. Kanara
Copy to A.C.B.

The Collr of S. Kanara is informed that the present orders regarding the ^(calculation and levy) ~~extension~~ of duty on spirit used in the manufacture of spirituous preparations in Father Muller's Pharmaceutical Laboratory Kanbanady, will stand, but the total amount of duty credited in the treasury accounts in respect of each M.P. 7 application should be rounded to the nearest anna according to article 59 IV of the M.F & A.C., Vol I.

17/11/38
21/11/38
21/11/38

21/11/38